

Washington State Patrol Retirement System Plan 2

Member's Benefit Estimate Worksheet

This worksheet should answer some of your questions about how your WSPRS Plan 2 retirement benefit is calculated. To assist you in completing the worksheet, we have included an example of "John Doe's" retirement calculation. The results of this retirement benefit estimate are only estimated benefits based on projected salary and service credit. Your actual retirement benefit may be different as it will be based on final employer reporting.

You can retire from WSPRS Plan 2

- Any age, with 25 or more years of service credit, or
- Age 55 or older with no minimum required service credit. If you leave your State Patrol commission prior to age 55, you must be vested to be entitled to a benefit.

You must retire no later than the first of the month following the month you reach age 60, unless you are the Chief of the State Patrol.

If you are a **vested WSPRS Plan 2 member, but leave the State Patrol before retirement**, you are entitled to:

- An unreduced benefit at age 60, or
- An actuarially reduced benefit as early as age 55.

Vesting

When you have five years of service credit, you have a "vested" right to a retirement benefit when you meet the Plan's age requirement.

How service credit is counted

You receive one month of service credit for every calendar month in which you receive compensation for 70 or more hours. Years of service credit are calculated by dividing total months of service credit by 12.

Benefit Formula

The formula for the monthly service retirement benefit varies according to your length of service.

$$\text{Years of service} \times 2\% \times \text{Average Final Salary (AFS)}$$

Average Final Salary (AFS)

AFS is the average salary of your five highest-paid years. The maximum retirement benefit is 75 percent of your average final salary.

Benefit Payment Options

OPTION 1 STANDARD OPTION

This option pays you a benefit for your lifetime. If you die before the total benefits you receive equal your contributions plus interest at the date of retirement, the balance will be paid in a lump sum to your named beneficiary.

OPTION 2 JOINT AND 100 PERCENT SURVIVORSHIP

Under this option, you receive a benefit that is actuarially reduced. If your designated beneficiary survives you, the benefit amount remains the same and your beneficiary continues to receive it for his or her lifetime.

OPTION 3 JOINT AND 50 PERCENT SURVIVORSHIP

This option also provides a benefit that is actuarially reduced, but the reduction is smaller than in Option 2. If your designated beneficiary survives you, 50 percent of your benefit is paid to your beneficiary for his or her lifetime.

OPTION 4 JOINT AND 66.67 PERCENT SURVIVORSHIP

This option provides a benefit that is actuarially reduced. The reduction is smaller than in Option 2, but larger than in Option 3. If your designated beneficiary survives you, 66.67 percent of your benefit is paid to your beneficiary for his or her lifetime.

WSPRS Plan 2 Benefit Estimate

	You	John Doe
Step 1: Determine your anticipated date of retirement.		Sept 1, 2007
Step 2: Determine your total service credit years as of your anticipated date of retirement.		
2a. My current balance of WSPRS Plan 2 service credit years.		32
2b. The number of years until my anticipated retirement date.		5
2c. My projected service credit years at retirement. (2a + 2b = 2c)		32 + 5 = 37
Step 3: Estimate your Average Final Salary AFS equals the average monthly salary of your five consecutive highest-paid years.		\$5,000
Step 4: Compute your Option 1 benefit. The Option 1 benefit provides the highest monthly benefit and stops when the retiree dies. Service credit years x 2 percent x AFS ÷ 12 = monthly benefit		
4a. My projected service credit years (2c) times 2%		37 x .02 = .74
4b. My AFS (step 3) x 4a = my standard (Option 1) benefit		\$5,000 x .74 = \$3,700 per mo.
Step 5: Determine your benefit if you choose a survivor payment option There are three survivor options available. Under each of the options the retiree receives an actuarial reduction of the standard benefit. The reduction is based on the joint life expectance of you and your beneficiary. If you select a survivor benefit option and your survivor dies before you, the benefit will be increased to a single lifetime benefit level (Standard Option).		
5a. Determine the age difference between you and your beneficiary. Round to the nearest year. (John Doe is one year older than his beneficiary.)		57 - 56 = 1 year
5b. Use the reduction factor from Table 1 (page 4) to determine the Option 2 benefit (4b x reduction factor = reduced benefit) Option 2 provides a survivor benefit that will be 100% of the retiree's benefit.		Option 2 \$3,700 x .865 = \$3,200.50 per mo. Survivor receives \$3,200.50

WSPRS Plan 2 Benefit Estimate

	You	John Doe
5c. Use the reduction factor from Table 1 (page 4) to determine the Option 3 benefit (4b x reduction factor = reduced benefit) Option 2 provides a survivor benefit that will be 50% of the retiree's benefit.		Option 3 \$3,700 x .927 = \$3,429.90 per mo. Survivor receives \$1,714.95
5d. Use the reduction factor from Table 1 (page 4) to determine the Option 4 benefit (4b x reduction factor = reduced benefit) Option 2 provides a survivor benefit that will be 66.67% of the retiree's benefit.		Option 4 \$3,700 x .905 = \$3,348.50 per mo. Survivor receives \$2,334.44

Step 6: Retirement from Inactive Status

If you are vested in WSPRS Plan 2, but leave the State Patrol before retirement, you are entitled to:

- An unreduced benefit at age 60, or
- An actuarially reduced benefit at age 55.

For example: John Doe resigned his commission at age 35 with 12 years of service credit and an AFS of \$4,000. At age 55 he applies for retirement. His benefit would be calculated as follows: (See [Table 2: Early Retirement Factors](#))

Standard Benefit Calculation

12 years x 2% = .24

.24 x \$4,000 = \$960.00 (standard benefit at age 60)

Reduction for retirement from inactive status before age 60

\$960.00 x .66 = \$633.60 per month (actuarially reduced benefit at age 55)

Note: If you choose a survivor option the Early Retirement reduction would be taken from the standard benefit amount before the Survivor Option reduction is calculated. You need at least 5 years of service credit (vested) to retire before age 60 if you are inactive. The earliest you can retire is age 55.

6a. Calculate your benefit the same as you would for a standard option benefit. (See Member's Benefit Estimate Worksheet Step 4, above.) For this example, let's say John Doe retires at 55.		\$3,700
6b. What will your age be when you begin collecting a benefit?		55
6c. Use Table 2: Early Retirement Factors (page 4), to determine your benefit reduction factor.		66%
6d. Multiply result from 6a by 6c. (This is benefit payment option 1.)		.66 x \$3,700 = \$2442 per mo.

WSPRS Plan 2 Benefit Estimate

**Table 1: WSPRS Plan 2
Survivor Benefit Options**

The age of the member as it relates to the age of the beneficiary	Option 2 100%	Option 3 50%	Option 4 66.67%
-20 years*	0.953	0.976	0.968
-19	0.950	0.974	0.966
-18	0.947	0.973	0.964
-17	0.944	0.971	0.962
-16	0.940	0.969	0.959
-15	0.937	0.967	0.957
-14	0.933	0.965	0.954
-13	0.929	0.963	0.952
-12	0.925	0.961	0.949
-11	0.921	0.959	0.946
-10	0.917	0.957	0.943
-9	0.913	0.954	0.940
-8	0.908	0.952	0.937
-7	0.904	0.949	0.934
-6	0.899	0.947	0.930
-5	0.894	0.944	0.927
-4	0.890	0.942	0.924
-3	0.885	0.939	0.920
-2	0.880	0.936	0.916
-1	0.875	0.933	0.913
0 (same age)	0.870	0.930	0.909
+1**	0.865	0.927	0.905
+2	0.860	0.924	0.902
+3	0.855	0.922	0.898
+4	0.850	0.919	0.894
+5	0.845	0.916	0.891
+6	0.840	0.913	0.887
+7	0.835	0.910	0.883
+8	0.830	0.907	0.880
+9	0.825	0.904	0.876
+10	0.821	0.902	0.873
+11	0.816	0.899	0.870
+12	0.812	0.896	0.866
+13	0.808	0.894	0.863
+14	0.803	0.891	0.860
+15	0.799	0.888	0.857
+16	0.795	0.886	0.854
+17	0.792	0.884	0.851
+18	0.788	0.881	0.848
+19	0.784	0.879	0.845
+20	0.781	0.877	0.842
+21	0.777	0.875	0.840
+22	0.774	0.873	0.837
+23	0.771	0.871	0.835
+24	0.768	0.869	0.832
+25	0.765	0.867	0.830
+26	0.763	0.865	0.828
+27	0.760	0.864	0.826
+28	0.757	0.862	0.824
+29	0.755	0.860	0.822
+30	0.753	0.859	0.820
+31	0.750	0.857	0.818
+32	0.748	0.856	0.817
+33	0.746	0.855	0.815
+34	0.744	0.853	0.814
+35 years	0.742	0.852	0.812

*Negative numbers mean the member is younger. **Positive numbers mean the member is older

**Table 2: WSPRS Plan 2
Early Retirement Factors**

Age at Retirement	Benefit as a Percentage of Benefit you would Receive at Age 60
55	66%
56	71%
57	76%
58	84%
59	92%
60	100%

Must have at least 5 years of service credit to retire from inactive status before age 60.